**ANNUAL GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS, S.A.**

(20/05/2020)

PROPOSAL IN CONNECTION WITH **ITEM 4** OF THE AGENDA

**RESOLVE UPON THE REMUNERATION POLICY OF MEMBERS OF THE MANAGEMENT AND SUPERVISION BODIES**

In accordance with the law and the articles of association of Banco Comercial Português, S.A., the Remuneration and Welfare Board (RWB) and the Committee for Nominations and Remunerations (CNR) are responsible for presenting for approval by the general meeting of shareholders a proposal on the Remuneration Policy of the members of the management and supervision bodies.

During 2019 and first quarter of 2020, the CNR analysed the above-mentioned Remuneration Policy with the purpose of improving it and ensuring compliance with domestic and EU legislation, as well as with the guidelines issued by the different Supervisory authorities.

Consequently, it comprehensively revised the Policy for the Remuneration of members of the Management and Supervisory Bodies and the new version was approved by the RWB and by the Bank’s Board of Directors.

In addition, the RWB, within the scope of its competences, and in compliance with its supervisory duties, verified the compliance of the payments made to the members of the corporate bodies, based on an audit carried out by an independent company, different from the Bank’s auditors.

Thus, and in compliance with article 14 of the Bank’s articles of association, the RWB and the CNR propose the approval of the following Remuneration Policy for Members of the Management and Supervisory Bodies, as stated in the attached document.

Lisbon, 23 April 2019

REMUNERATIONS AND WELFARE BOARD
COMMITTEE FOR NOMINATIONS AND REMUNERATIONS

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## ANNEX

## REMUNERATION POLICY OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

### Basic Principles

This Remuneration Policy applies to the members of the management and supervisory bodies (MMSB) of Banco Comercial Português, S.A. (“**BCP”** or **“Bank”**) and was made in compliance with the provisions of the Group Regulations GR0042 on remuneration policies. It is based on a number of principles that aim to ensure:

a) A governance model able of promoting the alignment of the interests of all stakeholders, namely in what concerns the sustainability of short, medium and long terms earnings and a prudent management of risk;
b) a competitive fixed remuneration able to attract and retain competent professionals and a variable remuneration intended to stimulate individual and collective performance, as well as reward the results achieved, in line with the current and future bank’s risk appetite;
c) the attribution of benefits, namely in what concerns the retirement complement, aligned with market practices;
d) compliance with the applicable regulations and guidelines in terms of procedures and remuneration policy.
e) Behaviours and commercial practices in line with the interests and needs of the Group’s Customers.

For that purpose, the Committee for Nominations and Remunerations (CNR) is responsible for the definition and annual revision of the principles defining the remuneration policy of the MMSB and for submitting this policy for approval at the General Meeting of Shareholders of the Bank.

It is the responsibility of the Committee for Risk Assessment (CRA) to examine if the incentives established in the Bank’s policy for the remuneration of MMSB take into consideration the risk, capital, liquidity and expectations concerning income at any given time.

Whenever the CNR does not have, at least, a member of the Committee for Risk Assessment in its composition, the latter must indicate a representative to participate in the meetings of the CNR that have the remuneration issue on the Agenda.

To prepare the proposal for the Remuneration Policy and the supervision of its implementation, the CNR must consult the RWB and get contributions and support from different areas of BCP, especially from the following ones:

a) The Risk area, to ensure that limits are not exceeded in terms of risk, total equity, and liquidity of the institution, contributing for the definition of the measures for implementing the variable remuneration based on risk, namely ex ante and ex post measures, and verify if the variable remuneration structure is in line with the **Group's** risk profile and culture;

b) The Human Resources Division, which should contribute to the preparation and evaluation of the Policy for the Remuneration of Employees, namely regarding the structure and levels of remuneration and estimation of the amounts of AVR to attribute, taking into account strategic and budgetary goals, employee profiles, retention strategies and market conditions.

c) The Compliance area, which must analyse to what extent the principles and practices of the Remuneration Policy may affect the BCP **Group's** capacity to comply with legislation, regulations, rulings, internal requirements and the respect for the company's culture, reporting to the RWB and to CNR any anomalous situation which may prove able to jeopardize or compromise that compliance;

d) The Internal Audit Division, which must develop annual independent mechanisms for the validation / revision of the design of the Remuneration Policy and also for its implementation, calculation and respective effects.

In the independent analysis for the implementation of the Remuneration Policy, the CNR, with support from the Internal Audit, will verify the implementation and compliance with the remuneration policies and procedures adopted and will communicate its conclusions to the RWB.

While preparing the proposal for the Remuneration Policy, the RWB must also follow clear and transparent procedures, which are documented; the documents regarding the making of the proposal and making of decisions must be kept by means of minutes of meetings, reports and other relevant documents.

The CNR may hire independent and qualified experts and external consultants for support, to assist one or more of its members in the performance of its functions and that contribute to and support the performance of its duties.

It is considered essential that the fixed remuneration represents a sufficiently high portion of the total remuneration so as to ensure an appropriate balance between the fixed and variable components of the total remuneration.

The variable remuneration is in line with the strategy defined for the Bank and with the Bank’s objectives, values and long-term interests. This way, the Bank guarantees a sustainable performance, adjusted to its risk profile.

In accordance with these principles, the attribution of a variable remuneration is linked to the performance and on the sustainable growth of the Bank's income and the adequacy of its capital ratios, as well as on market conditions and on the possible risks able to affect the business. This way, the Bank is able to guarantee a model that is financially sustainable and does not jeopardizes the institution, its depositors, employees, shareholders and remaining *stakeholders*.

The remuneration earned by the Director responsible for Risk and Compliance reflects the need to guarantee a greater independence versus the Bank’s performance; therefore the Bank must privilege qualitative indicators as well as quantitative indicators related to compliance with the behavioural and prudential rules in the calculation of the variable remuneration.

Also foreseen are reduction (malus) and reversion (clawback) mechanisms, of the whole or only a portion of the variable remuneration, in order to be able to comply with the legal and regulatory requirements and also to observe the recommendations and guidelines issued by the competent entities. The ability to totally or partially reduce (malus) the payment of a deferred remuneration, the payment of which is not yet an acquired right, as well as to partially or totally retain the payment of a variable remuneration, the payment of which is an acquired right, (claw-back), is limited to extremely significant events, duly identified and wherein the individuals involved had a direct participation.

The application of the claw-back mechanism must be supplementary to the reduction (malus) mechanism, i.e. in case of the occurrence of an extremely significant event, the application of the reduction mechanism (malus) shall be a priority, and only when the latter is deemed used up and insufficient or other criteria for the application of this mechanism are in effect, resulting from the applicable legal framework and EBA guidelines, should one consider using this mechanism.

**Article 1**
**(Object)**

This Policy establishes the rules for the attribution of the annual fixed remuneration, of the annual variable remuneration, long term variable remuneration and other benefits able of being attributed to the members of the corporate bodies of the Company, including the Retirement Regime.

## Article 2
## (Definitions)

1. The following expressions and acronyms, when capitalized, shall have the following meaning:

i) **BCP**, **Bank or Company –** Banco Comercial Português, S.A.

ii) **CEO** – Chairperson of the Executive Committee

iii) **CNR** – Committee for Nominations and Remunerations

iv) **CRO** – Chief Risk Officer

v) **RWB** - The Remuneration and Welfare Board

vi) **Autonomous Document** – Document stating, in the first part, the specific amounts of the remuneration of the different members of the corporate bodies approved by the RWB, and in the second part, the calculation formulas, indicators or indexes to use in the calculations, being the latter approved by means of a joint resolution issued by CNR and RWB.

vii) **Group** or **Group BCP** – includes the Company and all the companies in a control or group relationship with the Company, Millenniumbcp Prestação de Serviços ACE, Fundação Millenniumbcp and Clube Millenniumbcp.

viii) **AVR Evaluation Period** –period of time from 1 January to 31 December, respectively of 2018, 2019, 2020 and 2021.

ix) **LTVR Evaluation Period** – period of time from 1 January 2018 until 31 December 2021.

x) **AVR Attribution Price** - corresponds to the average of closing prices of the shares of the Company recorded during the two months prior to the beginning of each AVR evaluation period.

xi) **LTVR Attribution Price** - corresponds to the average of closing prices of the shares of the Company recorded during the two months prior to the beginning of each LTVR evaluation period.

xii) **PSI20** – Portuguese stock index – PSI20 Index composed of the companies chosen at each moment by the competent bodies of Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

xiii) **Retirement Supplement** – the Retirement Supplement regime due to old age or disability to be paid by the company, foreseen in article 17 of the Company's articles of association.

xiv) **AFR** - annual fixed remuneration

xv) **AVR** - annual variable remuneration

xvi) **Target AVR** – Annual variable remuneration corresponding to 100% compliance with the quantitative and qualitative objectives mentioned in the applicable annexes.

xvii) **LTVR** - long-term variable remuneration

xviii) **Target LTVR** - Long-term variable remuneration corresponding to 100% compliance with the objectives mentioned in the applicable annexes

xix) **Stoxx Europe 600 Banks Index (SX7P)** – Index of shares composed by large European Banks

xx) **TSR** – total shareholder return , estimated by means of the following equation the data of which are obtained through an independent and recognized market information platform (ex: Bloomberg or Reuters): [(Average of the closing prices of the shares for the two months prior to the end of the evaluation period – Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period) + Dividends per share paid to the shareholders in that period] / Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period, adjusting stock prices to reflect the effects of share capital increases, incorporation of reserves or similar transactions. The dividends to consider are those that, in relation to the date of approval, have been more recently approved.

xxi) **Member** - Member of the Executive Committee

xxii) **VC** - Vice-Chairperson of the Executive Committee

## Chapter I
## Members of the Company's Corporate Bodies

### Article 3
### (Annual Fixed Remuneration, variable remuneration and benefits)

1. The establishment of the remuneration and benefits of the Members of the Corporate Bodies is made by the RWB and, since they are defined for the term-of-office may, for situations recognized as exceptional, be revised by the RWB in the course of the same.
2. The members of the Executive Committee and the non-executive Directors exercising functions under an exclusive regime, are also entitled to the benefits foreseen in article 12.

## Chapter II
## Members of the Board of the General Meeting

### Article 4
### (Annual Fixed Remuneration)

1. The members of the Board of the General Meeting of the Company are entitled to an annual fixed remuneration established by the RWB, paid in four quarterly payments and to corporate bodies health insurance subscribed by the bank and at each moment

in effect.

2. The remuneration set forth in 1. at any given moment is mentioned in the Autonomous Document.

## Chapter III
## Non-Executive Members of the Board of Directors

### Article 5
### (Annual Fixed Remuneration)

1. The non-executive members of the Board of Directors of the Company are entitled to an annual fixed remuneration divided into 12 monthly payments and to the health insurance subscribed by the Bank at each moment for its Employees and Executive Directors.
2. The remuneration set forth in 1. at any given moment is mentioned in the Autonomous Document.
3. The RWB may, pursuant to a request made by the Director, resolve not to attribute remuneration to non-executive member(s) of the Board of Directors who is/are related with shareholders holders of a qualified stake.

## Chapter IV
## Executive Members of the Board of Directors

### Article 6
### (Annual Fixed Remuneration)

1. The members of the Executive Committee are entitled to an annual fixed remuneration paid in 14 monthly instalments, described in the Autonomous Document.
2. The retirement pension supplement due to old age and disability mentioned in article 13 does not have a discretionary nature; therefore it is a fixed remuneration.

### Article 7
### (Variable Remuneration)

1. The members of the Executive Committee may also earn a variable remuneration including a component attributed by the RWB by reference to the financial year to which it concerns (AVR) and by a long-term component (LTVR) attributed by reference to the entire term-of-office.

2. The attribution and establishment of the AVR and of the LTVR is the responsibility of the RWB and depends on the favourable opinion issued by the CNR, on the compliance with the rules herein established and on the compliance with the remaining

requirements of the Autonomous Document.

3. The variable remuneration, both the annual and long-term components, may not be attributed under exceptional conditions, namely if, after an opinion issued by the Audit Committee, the Committee for Risk Assessment, it is found that: (i) there is not a strong base of own funds; (ii) its attribution could unduly limit the Company's ability to strengthen its own capital or (iii) the attribution of the same does not observe the applicable legislation, regulations and guidelines.
4. The addition of the components of the annual and pluri-annual variable remuneration of the several directors due in each year cannot exceed, in its whole, 2 times the amount set forth in the Bank’s articles of Association.
5. The attribution of the variable remuneration is subject to the positive performance of own funds under a prudential perspective (value of capital for purposes of the estimation of the CET1 of the Group), and may, by decision made by the RWB after hearing the CNR and the Committee for Risk Assessment, not be considered extraordinary operations that, for their size and/or impact, affect the capital.
6. No guaranteed variable remuneration shall be granted, except when hiring a new executive director and only in the first year of activity, and it will only be granted by the RWB if, pursuant to an opinion from the Audit Committee and the Committee for Risk Assessment, the institution has a solid and strong capital base.
7. For the purpose of estimating the attributable variable remuneration only, the amounts corresponding to the pension supplementary regimes are not considered AFR.
8. The variable component of the remuneration is associated with performance. Therefore, its total value may vary from zero, if the degree of accomplishment of the goals is under the defined threshold, and a maximum that can, in each year and in compliance with the conditions established in this document and with the law, exceed twice the AFR.
9. The AVR will be paid 50% in cash and 50% in BCP shares in the deferred portion and in the non-deferred portion.
10. Except if expressly requested by the beneficiary Director, the number of shares to deliver in compliance with the provisions of the previous paragraph will be the one corresponding to the amount to pay in shares, net of income tax.
11. Each beneficiary cannot, in any case whatsoever, receive variable remuneration that, after the number of shares is converted (evaluated at the attribution price) reach a total exceeding 200% the respective AFR, either in a year when there is only AVR or in years when there are AVR and LTVR.
12. Whenever the variable remuneration, calculated in accordance with the previous number, exceeds the component of the value of the AFR, the amount exceeding the AFR shall only be due to the extent that the same is inferior to 200% of the respective

AFR and can only be paid after being approved by the General Meeting of Shareholders (in accordance with the provisions of article 115-F of the Legal Framework for Credit Institutions and Financial Companies), pursuant a proposal made by the RWB, after hearing to the CNR, the Committee for Risk Assessment, the Risk Officer and the Compliance Officer.

13. The definition of the quantitative indicators is made by the CNR, after hearing the Committee for Risk Assessment, and is made based on the Bank's strategic goals, also considered as an integral component of the process for the definition of the key-risk indicators so as to ensure an alignment of the risk profile of the executive members of the board of directors with the level of risk able of being tolerated by the Bank.
14. The variable remuneration of the CRO privileges qualitative and quantitative indicators related with the compliance with the prudential and behavioural rules, as well as the performance shown by the Bank's risk profile.
15. As foreseen in no. 15 of article 115-E of the Legal Framework for Credit Institutions and Financial Companies, no relevant hedging mechanisms may be used with the purpose of attenuating the effects of alignment with the risk inherent to the types of remuneration, and no variable remuneration can be paid by means of special purpose vehicles or other methods with an equivalent effect.

**Article 8**

**(Annual Variable Remuneration)**

1. The AVR considers the following values (without damaging the provisions of article 7 (10 and 11):
   i) Target AVR – 42% of the respective total AFR (corresponding to 60% of the addition of the Target AVR with the Target LTVR);
   ii) Maximum AVR attributable - 63% of the respective AFR.
2. The EC, after hearing the RWB, the Committee for Risk Assessment and the Audit Committee may - through a duly grounded written document to be recorded in the minutes of a meeting - apply an adjustment factor of the percentages provided for in the preceding paragraph, with a minimum of - 25% and a maximum of +25%, namely to cover possible risks, current and future ones, cost of own funds and of liquidity required by the BCP Group, as well as to translate exceptional performances by the Bank.
3. When the adjustment factor implies a positive or negative variation equal or greater than 12.5%t, that is, 50%, of the one indicated in no. 2 above, it will have to be justified in writing.
4. The computation of the AVR amount is based on the results of the performance

evaluation throughout the AVR Evaluation Period in question and results from the sum of two autonomous and independent components:

i) 80% of the amount is based on the evaluation of the level of compliance with the quantitative objectives (corporate KPIs);

ii) 20% of the amount is based on the evaluation of performance of each director regarding the qualitative objectives.

5. The corporate KPIs are established, each year, by the CNR, after listening to the RWB, based on the Business Plan or Budget for the respective period, previously approved by the Board of Directors, which will be part of the Autonomous Document**.**

6. The KPIs mentioned in the preceding paragraph should be in line with the goals of the activity plan and take into account the risk appetite defined by the Bank and the capital and liquidity plans, defining KPIs for the global performance of the Bank and differentiated KPIs for each director, adjusted to his/her areas of responsibility.

7. The values of the corporate KPIs defined for each year will be mentioned in the Autonomous Document.

8. The calculation of the amounts of the AVR shall be made by the Bank's Division in charge of Planning and Management Control and shall be audited by the Internal Audit Division and, pursuant to a resolution adopted by the RWB, those estimations may be validated by an external independent entity.

9. The attribution of the AVR depends on the performance recorded for each corporate KPI, being calculated as follows (without damaging the provisions of article 7 (10 and 11):

i) If the performance recorded falls under 80% of the established KPI, no AVR shall be attributed for that quantitative objective;

ii) If the performance recorded is between 80% and 90% of the KPI established, shall be attributed the amount placed in the interval 70% and 80% of the target AVR of that objective as per the Autonomous Document;

iii) If the performance recorded is between 90% and 110%, the KPI established shall be attributed the amount placed in the interval 80% and 120% of the target AVR of that objective, as per the Autonomous Document;

iv) If the performance recorded is between 110% and 150%, the KPI established shall be attributed the amount placed in the interval 120% and 150% of the AVR target of that objective, as per the Autonomous Document**;**

v) If the performance recorded attains 150% of the objective or more, shall be attributed the amount corresponding to 150% of the AVR target of that objective, as per the Autonomous Document;

10. The attribution of the AVR corresponds to the performance regarding the corporate KPIs of BCP, defined for each director, as mentioned in the Autonomous Document

and is dependent on the verification of a weighted average equal to or greater than 80% of KPIs defined concerning the Bank's global performance.

11. The AVR attributed to each executive member due to the corporate KPIs, results from the following equation: percentage of the target AVR based on the performance in accordance with the provisos of number 8 x 80%.
12. The qualitative evaluation of the members of the Executive Committee will pertain to the CNR, after listening to the non-executive Chairperson and Vice-Chairpersons of the Board of Directors and the Chairperson of the Executive Committee, who will only issue an opinion concerning the remaining members of the Executive Committee.
13. The annual weighted evaluation of the qualitative objectives will be capable of being measured and estimated in accordance with a table/questionnaire approved by the CNR, after listening to the RWB, the Compliance Officer and the person in charge of Human Resources.
14. The global performance of the qualitative objectives is a result of the weighted average of the objectives mentioned in the Autonomous Document (rounded to the unit), with the weight mentioned in number 3 ii) of this article and in accordance with the following parameters:
    i) If the global performance recorded is lower than level 2 ("Somewhat Lower than Expected"), no excess regarding the AVR will be estimated, as such;
    ii) If the performance recorded is between level 2 ("Lower than Expected") and level 3 ("Meets the Expectations"), the amount to be attributed should be in the interval between 60% and 100% of the target AVR for that objective, as per the Autonomous Document;
    iii) If the performance recorded is between level 3 ("Meets the Expectations") and level 4 ("Above Expectations"), the amount to be attributed should be in the interval 100% and 130% of the target AVR for that objective, as per the Autonomous Document**;**
15. The non-deferred component of the AVR is paid in the month following the date of approval of the Earnings by the Annual General Meeting of Shareholders ("AVR Payment Date").
16. Without affecting the provisions of article 7 (10 and 11), the AVR shall be deferred in 40% throughout a five-year period, being paid a fifth each year, on the AVR Payment Date, with the payment made 50% in cash and 50% in Company shares in the deferred component and in the non-deferred part. If the AVR equals or exceeds two thirds of the AFR of each member, 60% of that amount must be paid in a deferred manner.
17. The number of shares to attribute to each executive director results from the quotient between the value of the AVR, estimated after the assessment of the performance and

the "Price of attribution of the AVR".

18. The shares of the Company attributed as AVR, in accordance with 16 above, are subject to a retention policy for a period of one year commencing on the AVR Payment Date; therefore, the executive director will not be able to sell them, except for the provisos of the following number, during the 12 months following their delivery.
19. The executive director may sell or encumber the shares in the amount necessary to cover the totality of taxes and contributions to pay due to the attribution of the shares. As an alternative, the director will be able to choose the "sell-to-cover" regime, through which the number of shares that will be delivered to him/her will already be deducted from the number of shares which must be sold in order to pay taxes and contributions corresponding to the total value of the shares attributed.
20. If the member of the Executive Committee is not elected for a new term-of-office, the unavailability regime foreseen in article 17 above will continue to be in effect .
21. If the member of the Executive Committee leaves office, for any reason other than removal with just cause, after the end of the evaluation period but before the payment of the AVR, the AVR corresponding to that evaluation period will be paid in full, corresponding to that evaluation period, in compliance with the deferment periods and composition (cash or shares).
22. The payment of the AVR corresponding to the evaluation period during which the termination of functions of the member of the Executive Committee occurs, shall not be due, except in situations of termination of functions by agreement, retirement, death, disability or any other cause for the cessation of the term of office due to a cause not imputable to the Executive Director, namely the alteration of the control of the Company, among other, following a takeover bid or other fact outside the Executive's Director will, in which case there will be a proposal for a *pro rata temporis* attribution of AVR, after a resolution adopted by the RWB after hearing the CNR - with the maximum amount of the indemnity taking into account the average of the AVR of the last 3 years or of a lesser number of years in case the director was in office for a period of time inferior to 3 years.
23. In case a new non-executive director initiate their functions in the middle of the term, they will be entitled to a "pro-rata temporis" of the AVR and of the LTVR.

## Article 9
## (Long-Term Variable Remuneration)

1. The long-term variable remuneration (LTVR) is exclusively paid by means of the attribution of shares of the Company taking into consideration the following benchmark values ("**Target**") and maximum limits (without damaging the provisions of article 7

(10 and 11):

i) Target LTVR – 28% of the respective total AFR (corresponding to 40% of the addition of the Target AVR with the Target LTVR);

ii) Maximum value of LTVR – 42% of the respective AFR of the LTVR evaluation period.

2. The EC, after listening to the RWB, the Committee for Risk Assessment and the Audit Committee may apply an adjustment factor of the percentages provided for in the preceding paragraph, with a minimum of -25% and a maximum of +25%, namely to cover possible risks, current and future ones, cost of own funds and of liquidity required by the BCP Group, as well as to reflect exceptional performances by the Bank.
3. When the adjustment factor implies a positive or negative variation equal or greater than 12.5%, that is, 50%, of the one indicated in no. 2 above, it will have to be justified in writing.
4. The estimation of the number of shares corresponding to the LTVR to attribute is based on the results of the performance evaluation made during the LTVR evaluation period, assessed in accordance with the Autonomous Document.
5. The attribution of LTVR regarding the performance foreseen in the previous paragraph depends on the degree of compliance with the objectives as of 31 December 2021 set forth in the Autonomous Document.
6. The performance evaluation components are of a quantitative nature and are established by the CNR, after hearing to the RWB, being described in the Autonomous Document.
7. In case there is an operation altering the perimeter of BCP with relevant impact and the Board of Directors approves the alteration of the objectives of the Strategic Plan, the evaluation components must be revised accordingly by the CNR, after obtaining an opinion from the RWB.
8. The LTVR should be paid in the month following the date of approval of the financial statements by the General Meeting of Shareholders ("**LTVR Payment Date**"), by attributing shares of the Company in accordance with the terms and conditions foreseen in the Policy.
9. Without damaging the provisions of article 7 (10 and 11), the LTVR shall be deferred in 40% throughout a 3-year period and paid on the LTVR Payment Date, a third each year. If the LTVR, in relation to each member, is equal or above two thirds of the AFRs due in the LTVR evaluation period, the amount deferred will correspond to 60%.
10. The number of shares to attribute to each executive director results from the quotient

between the value of the LTVR, estimated after the assessment of the performance and the Price of attribution of the LTVR.

11. The payment of the LTVR requires the full exercise of the term-of-office for which the executive director was appointed, except in situations of termination of functions by agreement, retirement, death, disability or any other cause for an early cessation of the term of office due to a cause not imputable to the Executive Director, namely the alteration of the control of the Company, among other, following a takeover bid, in which case there will be a *pro rata temporis* attribution of LTRV, after a resolution adopted by the RWB, after listening to the CNR, at the end of the Plan's term.
12. If the member of the Executive Committee leaves office, for any reason other than removal with just cause, after the end of the evaluation period but before the payment of the LTVR, the same will be paid in full, corresponding to that evaluation period, in compliance with the deferment periods and composition (cash or shares) foreseen in the applicable regulations.
13. The shares of the Company attributed as LTVR are subject to a retention policy for a period of one year commencing from the date the LTVR is paid so that during the 12 months following their delivery, the director is unable to sell them, except in the cases mentioned in the following number.
14. The executive director may sell or encumber the shares in the amount necessary to cover the totality of taxes and contributions to pay due to the attribution of the shares. As an alternative, the director will be able to choose the "sell-to-cover" regime, through which the number of shares that will be delivered to him/her will already be deducted from the number of shares which must be sold in order to pay taxes and contributions corresponding to the total value of the shares attributed.
15. If the member of the Executive Committee is not elected for a new term-of-office, the unavailability regime foreseen in article 13 above will continue to be in effect .
16. Notwithstanding the provisions of article 9, the computation of the final amount of the LTVR will consider the amount of the AVR and the limitations foreseen in article 7 (10 and 11).

**Article 10**

**(Termination of functions before the end of the term-of-office)**

1. The Director who terminates functions before the end of the term-of office for reasons other than renunciation or dismissal with just cause, will be entitled to a compensation to be estimated by the CNR and resolved by the RWB, after listening to the Committee for Risk Assessment.
2. The compensation to attribute in compliance with the provisions of the previous paragraph cannot be qualified as fixed remuneration and payment must be subject to

the signing of a non-competition commitment for a period of time corresponding to the end of the term-of-office under way on the date of the removal.

3. The amounts to be attributed in compliance with the provisions of number one cannot exceed the global fixed remuneration that would be due until the end of the term-of-office plus, in the case of non-executive directors, of an amount corresponding to the average of the AVR attributed to him/her during the years he/she was in office in the term-of-office when he/she ceased to exercise functions.

**Article 11**
**(Malus and clawback clauses)**

1. The entire variable remuneration, regardless of the establishment, or not, of acquired rights, is subject to reduction or reversion mechanisms whenever it is proven that the Executive Director participated in or was responsible for a performance that resulted into significant losses for the Group or ceased to comply with the suitability and good repute criteria until the date of the last payment of the variable remuneration in the case of the reduction mechanism and up to 3 years after payment of the deferred remuneration in the case of the reversion mechanism.
2. The ability to totally or partially reduce (malus) the payment of a deferred remuneration, the payment of which is not yet an acquired right, as well as the refund of variable remuneration, paid or whose payment already constitutes an acquired right, (clawback), is limited to significant events, duly identified and wherein the individuals involved had, with malicious intent or gross negligence, an active participation.
3. The reduction or reversion of the variable remuneration should always be related with the performance or the risk and should respond to the effective results of risks or alterations in the continuing risks faced by the Group, the Bank or by the areas of the responsibility of the executive director in question and should not be based on the amount of dividends paid or on the shares price performance.
4. The application of the clawback mechanism must be supplementary to the reduction (malus) mechanism, i.e. in case of occurrence of a significant event, the application of the reduction mechanism (malus) shall be a priority and only when the latter is deemed used up, is insufficient, or while it is assessed if the Director significantly contributed to the negative financial performance of the Group and also in case of fraud or offences with malicious intent or serious negligence which caused significant losses, should one consider using the reversion mechanism (clawback).
5. In any circumstance and concerning the application of malus or clawback mechanisms, the guidelines from EBA (European Banking Authority) that are in effect at the time will always have to be observed and complied with.
6. The occurrence of the situations described in this article is supervised by the CNR and

the application of those mechanisms shall be made after a consultation made to the RWB, the Committee for Risk Assessment, the Audit Committee and the Chairperson of the Board of Directors.

**Article 12**

**(Benefits)**

The members of the Executive Committee and the non-executive directors exercising functions under an exclusive regime, are entitled to the following benefits:

i. Health insurance, credit card and mobile phone, in line with what is attributed to other bank employees.

ii. Retirement Supplement.

**Article 13**

**(Supplemental retirement pension for disability and old age)**

1. The directors shall benefit from the social security regime applicable in each case.
2. The directors are also entitled to a Retirement Supplement formed by capitalization insurance contracts of which each director will be the beneficiary.
3. Pursuant to an agreement established with each director, the capitalization insurance contract may be replaced by contributions to pension funds with a defined contribution.
4. The amount of the contributions of the Bank, within the scope of the two previous paragraphs, shall be established on a yearly basis by RWB, after hearing the CNR's opinion.
5. The Bank's annual contribution for the plan set forth in the previous paragraph is equal to the value, before applying any income tax deductions for individuals, corresponding to 20% of the annual gross fixed remuneration defined at any given time by the RWB.
6. The Bank shall not bear any additional expenses for retirement and disability pensions after the termination of each director's functions.
7. The right to the supplement shall only become effective if the beneficiary retires due to old age or disability, under the terms of the social security regime applicable to him/her.
8. At the time of the retirement, the beneficiary may choose to redeem the capital if and to the extent that the contract underlying the alternative chosen by them so allows.
9. In case of death before retirement, the right to receive the accrued capital shall remain effective pursuant to the applicable provisions established by the contract or by law.

## Article 14
## (Pension discretionary benefits)

The attribution of pension discretionary benefits is not envisaged, based on the Bank's performance or on the individual performance or on any other factors with a discretionary nature. However, the General Meeting of Shareholders may approve the attribution of an extraordinary contribution in accordance with article 13 (6) above.

## Article 15
## (Remuneration earned due to the performance of other functions related with BCP)

1. Considering that the remuneration of the executive members of the Board of Directors, as well as the one of the non-executive directors exercising functions under an exclusive regime is intended to directly compensate the activities they carry out directly at the Bank or in related companies (namely companies in a control or group relation with BCP) or in corporate bodies to which they have been appointed by indication or in representation of the Bank, the net value of the remunerations received annually for such duties by each member of the Board of Directors exercising functions under an exclusive regime will be deducted from their respective AFR.
2. It is the obligation and responsibility of each member of the Board of Directors to inform the Bank of any additional compensation they may have received, for the purposes of complying with the procedure established above.

## Article 16
## Insurance

1. The Directors must subscribe to a director bond in abidance by article 396 of the Companies Code.
2. In addition, the Bank subscribes to a Directors & Officers insurance policy following market practices.